

19 July 2022

Re: Case Number: 22-10964 (MG) Southern District of New York

Honorable Judge, Martin Glenn;

Like many others, I am impacted by the recent filings of Celsius. On the surface Mr. Mashinsky came off as what seemed to be an honorable business person. However, I find that being a trusting person, has left me exposed and empty handed.

In respect to earning accounts, I did choose for small interest returns for storing my assets with Celsius. I felt it was a safe consideration. Many of the pitches from Celsius such as: "Unbank yourself" and "Banks are not your friends" made sense when moving into a new world of a digital monetary systems. The low rate of interest being earned, also made me feel I was not getting deep into the Risk pool where some of their offering were much higher %'s of return, meaning Higher Risk.

What we have now learned in recent months, weeks, is that Celsius and Mr. Mashinsky took high risk positions with our deposits creating excessive and extensive risk to their depositor's assets. There is no mention of how Celsius re-hypothecates and level of risks they are taking with depositor's funds.

I also chose to take out a small loan with Celsius which is now at maturity. With the current freeze in place, my preference would have been to either extend the loan period, continuing to pay interest, or pay it off and have my collateral returned. (I am a long term HODLer)

However, after making several attempts to work with the Loan team at Celsius, I can only get as far as receiving the same email over and over from their team. No help in terms of a human to work with to resolve the situation. The net/net appears that Celsius desires that one pay the loan using yet more additional funds, providing more cash to Celsius for loan payment, where then assets would still remain frozen and inaccessible thereafter. Throwing good money after bad with Celsius makes no sense to me at this juncture. My preference as noted above would be to work with the team to reduce exposures, not add more funds to Celsius's coffers to gamble with. An alternative would be all account to be frozen in items of no loan payments (interest), no loss of collateral until such time that Celsius exits their freeze period where then a depositor with an open loan, be provided 90 days to resolve accounts.

My hope and desire is that you will allow unaccredited investors that used Custody accounts to fund loans, to pay off their loans and have that collateral balance redeposited back into their Custody accounts.

If there were guarantees for full recovery of funds in my accounts, I would choose to HODL for foreseeable future as this investment was a long term holding play.

As this appears to be less and less an option, an alternative solution would be to have my loan paid off using collateral on hand, using rates on day of execution. (but rates no lower than today's rate at ~23.3K at the time of writing). If BTC were to be higher at time of execution, it should be in favor of the depositor versus Celsius. Payment for stress created by Celsius for their lack of risk analysis and poor practices. Then once paid, allowing depositors the ability to remove all funds if desired.

Thanks for your consideration.

Dennis Gendreau